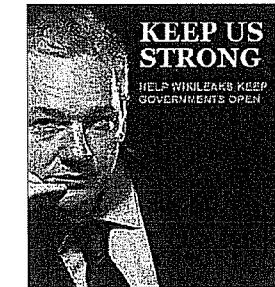


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Reference ID	Created	Released	Classification	Origin
03STATE23994	2003-01-28 02:43	2011-08-30 01:44	SECRET	Secretary of State

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NSC WASHDC 0000
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TREASURY DEPT WASHDC 0000
USDOC WASHDC 0000
US CUSTOMS SERVICE WASHDC
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S E C R E T STATE 023994

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TAGS: PTER EFIN ECON PREL SA IS JO
SUBJECT: TERRORIST FINANCING - UPDATED NONPAPER ON AL
HARAMAIN

REF: STATE 22362

(U) CLASSIFIED BY EB A/S E. ANTHONY WAYNE, REASONS 1.5
(B,D).

¶1. (S) THIS CABLE REPLACES THE EARLIER VERSION OF THE NON-PAPER SENT OUT IN REFTEL. PLEASE DISCARD EARLIER VERSION. CHANGES THAT HAVE BEEN MADE, IN RESPONSE TO A REQUEST CONVEYED BY NSC STAFF, ARE THE FOLLOWING: REFERENCE TO U.S. CRIMINAL INVESTIGATION OF U.S. BRANCH HAS BEEN DELETED AND DELETIONS HAVE BEEN MADE TO SECTION III(A) (1) (A).

¶2. (S) IN MEETINGS ON JANUARY 28, S/CT COFER BLACK AND NSC RAND BEERS SHOULD DELIVER THE NONPAPER IN PARA 3, AS APPROPRIATE.

¶3. (S - RELEASABLE TO SAUDI ARABIA) BEGIN NONPAPER:

¶I. INTRODUCTION

ONE OF THE TOP COUNTER-TERRORISM PRIORITIES OF THE UNITED STATES IS TO DEEPEN THE LEVEL OF THE ONGOING DIALOGUE BETWEEN THE UNITED STATES AND SAUDI ARABIA RELATING TO FINANCIAL FLOWS TO AL-QA'IDA. RECENT INTELLIGENCE REPORTING INDICATES THAT AL-QA'IDA IS HAVING TROUBLE RAISING MONEY AND THAT IT IS MORE RELIANT THAN EVER ON SAUDI FINANCIAL SOURCES, PARTICULARLY WEALTHY DONORS AND FUNDING DIVERTED FROM CHARITABLE ORGANIZATIONS. ALTHOUGH REPORTING USUALLY DOES NOT SPECIFY THE IDENTITIES OF DONORS AND CORRUPT CHARITABLE OFFICIALS, WE BELIEVE EVEN THESE MORE GENERAL LEADS WILL ALLOW OUR TWO GOVERNMENTS TO IDENTIFY AND LOCATE TERRORIST SUPPORTERS. FINDING THESE PEOPLE AND STOPPING THE FINANCIAL FLOWS - WHETHER THROUGH PUBLIC OR PRIVATE ACTION - WOULD SERIOUSLY IMPEDE THE AL-QA'IDA LEADERSHIP'S ABILITY TO RECONSTITUTE THE GROUP AND LAUNCH DEVASTATING NEW ATTACKS IN THE UNITED STATES, SAUDI ARABIA, AND ELSEWHERE.

MOVING EXPEDITIOUSLY TO CUT FUNDING IS CRITICAL BECAUSE RECENT REPORTING SUGGESTS AL-QA'IDA IS POISED TO ATTACK TARGETS WITHIN THE KINGDOM USING MONEY IT HAS RAISED FROM SAUDI SOURCES. WE HAVE AND WILL CONTINUE TO PROVIDE YOU WITH SUCH INFORMATION LINKING SAUDI FINANCIERS TO AL-QA'IDA PLOTS IN SAUDI ARABIA.

-- FOR EXAMPLE, IN LATE DECEMBER 2002, A DETAINEE REVEALED THAT AL-QA'IDA OPERATIVES HAD RECEIVED 25,000 SAUDI RIYALS FOR PLANNED ATTACKS AGAINST US TARGETS IN SAUDI ARABIA USING AK-47 ASSAULT RIFLES AND HAND GRENADES.

-- A SENIOR AL-QA'IDA REPRESENTATIVE SAID HE HAD HEARD AL-QA'IDA OPERATIVES DISCUSSING PLOTS AGAINST ARAMCO FACILITIES IN SAUDI ARABIA.

SOME AL-QA'IDA SUPPORTERS HAVE OPPOSED TO ATTACKS WITHIN

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courage is contagious

THE KINGDOM ONLY BECAUSE THEY BELIEVE SUCH ATTACKS WOULD JEOPARDIZE ONGOING FUNDRAISING AND LOGISTICAL ACTIVITIES.

IN OCTOBER, A SAUDI-BASED FINANCIAL FACILITATOR ADVISED AN AL-QA'IDA OPERATIVE ALONG THESE LINES. HIS STATEMENT SUGGESTS THE OPERATIVES ARE CURRENTLY RAISING FUNDS WITHIN THE KINGDOM.

III. AL-QA'IDA'S FINANCIAL SITUATION

RECENT REPORTING INDICATES THAT AL-QA'IDA'S FINANCIAL NETWORK HAS BEEN DISRUPTED AND THAT IT IS RECEIVING FEWER FUNDS. THE INTERNATIONAL EFFORT TO FREEZE THE ASSETS OF TERRORISTS AND THEIR SUPPORTERS HAS PLAYED A ROLE IN THIS SUCCESS. PERHAPS MORE IMPORTANT HAVE BEEN AL-QA'IDA'S LOSS OF A SECURE BASE IN AFGHANISTAN, THE DETENTION OF NUMEROUS AL-QA'IDA FINANCIAL OFFICIALS, AND DONORS' RELUCTANCE TO CONTRIBUTE BECAUSE THEY FEAR PUNISHMENT OR ARE DISENCHANTED WITH THE LACK OF ATTACKS. FOR EXAMPLE:

-- AS EARLY AS MARCH, AN ASSOCIATE OF A SENIOR USAMA BIN LADIN LIEUTENANT COMPLAINED THAT HIS SOURCE OF FINANCIAL DONATIONS HAD DRIED UP AND THAT HE WAS "FORCED TO BEG FOR FUNDS."

-- IN MARCH, AN AL-QA'IDA ASSOCIATE WHO MANAGES AN UNIDENTIFIED FUNDRAISING WEBSITE INDICATED THAT DONATIONS FOR THE JIHAD "WOULD SOON DRY UP" WITHOUT CURRENT INFORMATION FROM THE FRONT TO ATTRACT FUNDS.

-- IN MARCH, A SENIOR FIGURE IN BIN LADIN'S PROPAGANDA NETWORK INDICATED THAT CONTRARY TO HIS EXPECTATIONS, CONTRIBUTIONS WERE LACKING.

-- A DETAINEE REVEALED THAT AS OF LATE 2002 IT HAD BECOME EXTREMELY DIFFICULT FOR AL-QA'IDA TO TRANSFER MONEY TO OPERATIVES. REPORTS OVER THE LAST TWO MONTHS INDICATE THAT AL-QA'IDA OPERATIVES IN IRAN, PAKISTAN, AND YEMEN ARE IN NEED OF MONEY.

-- IN OCTOBER, ONE AL-QA'IDA OPERATIVE SPOKE OF DEVELOPING PROPAGANDA "TO BOOST DONOR CONFIDENCE," WHILE ANOTHER AL-QA'IDA MEMBER WORRIED THAT A FAILED OPERATION WOULD STOP DONOR CONTRIBUTIONS.

-- IN OCTOBER, A SENIOR AL-QA'IDA MEMBER RECEIVED DRAFT PLANS FOR A TERRORIST OPERATION TO BE PRESENTED TO PROSPECTIVE BENEFACTORS. THIS FOLLOWED OTHER REPORTING INDICATING AL-QA'IDA WAS HAVING TROUBLE ATTRACTING MONEY FROM HARD-CORE SAUDI DONORS, WHO WERE "CLAMORING TO SEE THE FRUITS OF THEIR DONATIONS." THE PLANS PRESUMABLY WERE INTENDED TO ENCOURAGE DONATIONS.

AS FUNDS BECOME SCARCE, AL-QA'IDA IS TRYING TO REBUILD ITS FINANCIAL NETWORK TO SUSTAIN ITS LEADERSHIP AND FUND NEW ATTACKS. REPORTING SUGGESTS THAT AL-QA'IDA IS TURNING TO LONGSTANDING SOURCES OF MONEY IN SAUDI ARABIA, NOTABLY WEALTHY DONORS WHO PROVIDE MONEY WITTINGLY AND CHARITIES FROM WHICH CORRUPT OFFICIALS DIVERT MONEY. DURING CUSTODIAL INTERVIEWS IN MID-2002, A SENIOR AL-QA'IDA REPRESENTATIVE SAID THERE IS SUBSTANTIAL FINANCIAL SUPPORT FOR AL-QA'IDA AMONG WEALTHY SAUDIS. HE SAID THE SUPPORT IS LARGELY FINANCIAL BUT ADDED THAT SAUDI SUPPORTERS ALSO FACILITATE TRAVEL IN AND OUT OF THE KINGDOM. THE SENIOR AL-QA'IDA REPRESENTATIVE SAID THE SUPPORT IS TYPICALLY "COVERT," AS SUPPORTERS FEAR THEY WILL BE PUNISHED IF TIES TO AL-QA'IDA BECOME KNOWN.

MONEY THAT ORIGINATES IN THE KINGDOM IS DISPERSED TO AL-QA'IDA MEMBERS IN AFGHANISTAN, INDONESIA, IRAN, PAKISTAN, THE PHILIPPINES, YEMEN, AND OTHER COUNTRIES WHERE KEY AL-QA'IDA OPERATIVES HAVE RELOCATED OVER THE PAST YEAR FOLLOWING THE LOSS OF AFGHANISTAN AS A SAFEHAVEN. FOR EXAMPLE, AL-QA'IDA MEMBERS IN YEMEN-A KEY PLATFORM FOR OPERATIONAL PLANNING IN THE GULF-ARE GETTING THE MAJORITY OF THEIR FINANCIAL SUPPORT FROM SAUDI ARABIA. IN MAY, SAUDI-BASED AL-QA'IDA FACILITATOR AND CURRENT DETAINEE ABD AL-RAHMAN AL-QASIMI SUGGESTED MOST TERRORIST OPERATIONS IN YEMEN WERE FUNDED BY INDIVIDUALS "AT HIS LOCATION," I.E. SAUDI ARABIA.

ACCORDING TO A VARIETY OF RECENT REPORTING INCLUDING STATEMENTS BY KEY AL-QA'IDA OPERATIVES, WEALTHY DONORS - PROBABLY MAINLY BUSINESSMEN - HAVE PROVIDED THE BULK OF AL-QA'IDA'S FUNDING SINCE AT LEAST THE LATE 1990S. AS AL-QA'IDA STRUGGLES TO REGROUP, IT IS PARTICULARLY INTERESTED IN TAPPING THIS SOURCE OF FUNDS BECAUSE OF THE SPEED WITH WHICH SMALL GROUPS CAN PROVIDE TENS OR HUNDREDS OF THOUSANDS OF DOLLARS. MOST OF THE REPORTING WE HAVE ON RECENT AL-QA'IDA EFFORTS TO ACQUIRE MONEY INDICATES THE GROUP PREFERS TO APPROACH DONORS DIRECTLY. FOR EXAMPLE:

-- A SENIOR AL-QA'IDA REPRESENTATIVE IDENTIFIED SEVERAL SAUDIS AS PROVIDERS OF FINANCIAL SUPPORT TO AL-QA'IDA, INCLUDING IBADAH AL-MAKKI, A SAUDI NATIONAL WHO USED TO SEND TRAINEES AND MONEY, AND SAWAD AL-MADANI, A SAUDI WHO SUPPLIED AL-QA'IDA WITH MEN, EXPERTISE, EQUIPMENT, AND MONEY.

-- OTHER SAUDI DONORS IDENTIFIED BY A SENIOR AL-QA'IDA REPRESENTATIVE INCLUDE ANJANSHAH, A SAUDI NATIONAL WHO USED TO SEND "A LOT" OF MONEY TO BIN LADIN LIEUTENANT ABU ZUBAYDAH; QUTAYBAH, A SAUDI NATIONAL WHOSE POSITION AS A MOSQUE IMAM ENABLED HIM TO RAISE FUNDS FROM "ORDINARY PEOPLE" AND SEND THE FUNDS FOR THE JIHAD; AND THABIT, A SAUDI NATIONAL WHO HAS EXTENSIVE RELATIONS WITH SHAYKHS FROM WHOM HE GETS "GOOD" DONATIONS FOR THE JIHAD.

-- ANOTHER DETAINEE TOLD INTERROGATORS IN EARLY 2002 THAT SAUDI DONORS HAD PROVIDED \$106,667 FOR OPERATIVE TRAVEL. IN APRIL THE DETAINEE ADMITTED THAT HE COLLECTED \$100,000 FROM MOSQUES AND WEALTHY INDIVIDUALS IN SAUDI ARABIA. THE DETAINEE ALSO TOLD INVESTIGATORS THAT AL-QA'IDA COLLECTED FUNDS FROM SAUDI MERCHANTS IN THE AREAS OF AL-QASIM AND RIYADH. THE FUNDS WERE SENT TO AFGHANISTAN VIA RANDOMLY SELECTED SAUDI EXTREMISTS TRAVELING TO JOIN AL-QA'IDA FORCES.

CHARITABLE ORGANIZATIONS (NON-GOVERNMENTAL ORGANIZATIONS OR "NGOS") ARE A SECOND SOURCE OF MONEY FOR AL-QA'IDA. ALTHOUGH SEVERAL NGOS THAT SUPPORTED AL-QA'IDA, SUCH AS WAFA AND MAKTAB AL-KHIDMAT, HAVE BEEN SHUT DOWN, WE ARE CONCERNED THAT THEIR DONORS ARE STILL AT LARGE. REPORTING INDICATES AL-QA'IDA AND AFFILIATED TERRORIST GROUPS ARE STILL RECEIVING MONEY FROM SAUDI CHARITIES WITHIN THE KINGDOM, VIA CORRUPT OFFICIALS WHO DIVERT CHARITABLE CONTRIBUTIONS TO SUPPORT THE GROUP. FOR EXAMPLE, IN A POSSIBLE EFFORT TO GIVE AL-HARAMAIN HEADQUARTERS AND FOREIGN DONORS PLAUSIBLE DENIABILITY TO CHARGES THAT FUNDS SENT TO INDONESIA WERE FUNNELED TO EXTREMISTS, IN LATE 2001 AL-HARAMAIN ROUTED FUNDS TO THE INDONESIA MISSION THROUGH A THIRD PARTY INSTEAD OF DIRECTLY TO JAKARTA DIRECTOR AL-AMOUDI.

-- AL-HARAMAIN'S INDONESIA OFFICE HAS TIES TO SEVERAL AL-QA'IDA AFFILIATED INDIVIDUALS-INCLUDING UMAR FAROUQ AS WELL AS JEMAAH ISLAMIYAH (JI) LEADER ABU BAKAR BASHIR (VARIANT BA'ASYIR).

-- HIGH-RANKING JI MEMBERS, INCLUDING IMAM HANAFEI, HAVE BEEN KNOWN TO CONSORT WITH THE "COMMITTEE OF SHAYKHS," RAISING A POSSIBLE LINKAGE BETWEEN SAUDI MONEY, INDONESIAN MILITANT GROUPS, AND AL-QA'IDA.

III. OPPORTUNITY TO FURTHER REDUCE AL-QA'IDA'S FUNDING

AL-QA'IDA'S SERIOUS FINANCIAL PROBLEMS SUGGEST THAT EFFORTS TO FIND AND BLOCK MONEY FLOWS PRESENT AN OPPORTUNITY TO DISRUPT TERRORISTS' OPERATIONS AND PREVENT THE CENTRAL LEADERSHIP FROM REBUILDING THE ORGANIZATION BY FINDING AND SHUTTING OFF THE MONEY FLOW FROM MAJOR DONORS AND FROM CORRUPT OFFICIALS OF CHARITABLE ORGANIZATIONS.

A. CUTTING CHARITY TIES TO AL-QA'IDA

RECOGNIZING THE IMPORTANT HUMANITARIAN WORK UNDERTAKEN BY CHARITIES, THE FACT THAT TERRORIST ORGANIZATIONS DIVERT RESOURCES INTENDED FOR CHARITABLE PURPOSES AND SOMETIMES CORRUPT THEIR EMPLOYEES IS PARTICULARLY APPALLING. WE RECOGNIZE AND APPRECIATE THE STEPS THAT THE GOVERNMENT OF SAUDI ARABIA HAS ALREADY TAKEN, AS WELL AS YOUR COMMITMENT TO CONTINUE TO TAKE STEPS TO PROTECT AGAINST ABUSE OF ISLAMIC CHARITIES BY TERRORISTS. IT IS EXTREMELY DIFFICULT TO UNCOVER CORRUPTION IN CHARITIES AND TO PREVENT FUTURE OCCURRENCES. FOR EXAMPLE, THE US

INVESTIGATION OF THE BENEVOLENCE INTERNATIONAL FOUNDATION, HAS BEEN LONG AND DIFFICULT, AND WE HAVE YET TO ACQUIRE ENOUGH EVIDENCE TO INDICT THE FOUNDERS OF BIF FOR COMPLICITY IN TERRORIST SUPPORT.

ACCORDINGLY, ENSURING CHARITABLE FUNDS ARE NOT DIVERTED TO TERRORISTS IS LIKELY TO BE A LONG PROCESS. BETTER OVERSIGHT OF CHARITIES' SPENDING AND VETTING OF THEIR EMPLOYEES EVENTUALLY WILL MAKE IT MUCH MORE DIFFICULT FOR TERRORISTS TO DIVERT FUNDS FROM THEM. IN THE NEAR TERM, REMOVING OFFICIALS ENGAGED IN TERRORIST SUPPORT AND QUESTIONING THEM TO UNCOVER OTHER COMPLICIT OFFICIALS WOULD QUICKLY REDUCE DIVERSIONS OF MONEY TO AL-QA'IDA.

1. A PRIORITY CASE: THE AL-HARAMAIN ISLAMIC FOUNDATION

A CHARITY OF GREAT IMMEDIATE CONCERN IS AL-HARAMAIN

ISLAMIC FOUNDATION. OF COURSE WE RECOGNIZE THAT AL-HARAMAIN PROVIDES LEGITIMATE HUMANITARIAN AID, BUT WE REMAIN VERY CONCERNED THAT PERSONNEL IN ALMOST HALF OF ITS 50 OFFICES, INCLUDING PERSONNEL WITHIN THE KINGDOM, ARE AIDING AND ABETTING AL-QA'IDA AND ITS AFFILIATED TERRORIST GROUPS.

WE UNDERSTAND THAT WE HAVE ALREADY PROVIDED YOUR GOVERNMENT WITH SOME INFORMATION ON AL-HARAMAIN'S ILLEGITIMATE ACTIVITIES SINCE 11 SEPTEMBER; HOWEVER, WE NOW HAVE A MORE COMPLETE PICTURE ON THE CHARITY'S COMPLICIT EMPLOYEES AS WELL AS HOW IT SUPPORTS TERRORIST GROUPS.

NEW INFORMATION WE HAVE COMPILED ON AL-HARAMAIN INDICATES THAT, IN ADDITION TO THE BOSNIA AND SOMALIA BRANCHES AGAINST WHICH WE HAVE TAKEN JOINT ACTION, OFFICIALS OF SEVERAL OTHER BRANCHES AROUND THE WORLD HAVE TIES TO AL-QA'IDA AND RELATED TERRORIST GROUPS. AMONG THESE BRANCHES IS THE US BRANCH. IN ADDITION TO CURRENT AND FORMER AL-HARAMAIN OFFICIALS WE HAVE PREVIOUSLY DISCUSSED WITH YOU, RECENT REPORTING IMPLICATES THE CHARITY'S DIRECTOR, SHAYKH AQIL IBN 'ABDUL-'AQIL. FINALLY, WE REMAIN CONCERNED ABOUT RECENT REPORTS INDICATING THAT AL-HARAMAIN'S BRANCH OFFICES IN BOSNIA AND SOMALIA CONTINUE TO RECEIVE FUNDS FROM AL-HARAMAIN HEADQUARTERS DESPITE OUR JOINT ASSET FREEZE. WITH YOUR HELP, WE CAN LEARN MORE, AND STOP THE ABUSE OF AL-HARAMAIN BY TERRORISTS.

¶A. INFORMATION PROVIDED PREVIOUSLY ON THE AL-HARAMAIN ISLAMIC FOUNDATION

AS YOU KNOW, VARIOUS U.S. INTERLOCUTORS HAVE DISCUSSED WITH YOUR VARIOUS AGENCIES OF YOUR GOVERNMENT A RANGE OF CONCERNS ABOUT THE ACTIVITIES OF THE AL-HARAMAIN ISLAMIC FOUNDATION SINCE SEPTEMBER 11, 2001. WE HAVE ALSO PROVIDED INFORMATION TO YOU ABOUT THE BASIS OF THESE CONCERNS, AND WE APPRECIATE YOUR EFFORTS TO ADDRESS THEM. THE FOLLOWING SUMMARIZES THOSE PREVIOUS DISCUSSIONS, THE INFORMATION PROVIDED, AND THE ACTIONS TAKEN.

-- ON SEVERAL OCCASIONS, FROM AUGUST 1998 - NOVEMBER 2002, WE HAVE PROVIDED REPORTS TO AND/OR ASKED FOR ASSISTANCE FROM THE MUBAHITH RELATED TO THE ACTIVITIES OF AL-HARAMAIN. SEVERAL OF OUR REPORTS AND INQUIRIES RELATED TO THE POSSIBLE INVOLVEMENT OF AL-HARAMAIN OFFICIALS IN AL-QA'IDA'S BOMBINGS OF US EMBASSIES IN EAST AFRICA. OF PARTICULAR NOTE AMONG THESE IS MU'AMMAR AL-TURKI ABD AL-WAHHAB AL-DAHKIL. WE ALSO HAVE PROVIDED LEADS ON SEVERAL OTHER AL-HARAMAIN OFFICIALS WHO HAVE BEEN REPORTED TO HAVE TIES TO AL-QA'IDA, INCLUDING FOR EXAMPLE:

INFORMATION IN LATE 1999 AND LATE 2001 NOTING HOW AL-HARAMAIN EMPLOYEES IN GENERAL HELPED AL-QA'IDA WITH FINANCIAL AND LOGISTIC SUPPORT AND THE POSSIBILITY THAT SOME FUNDS WERE FLOWING FROM AL-HARAMAIN THROUGH THE REMITTANCE FIRM AL-BARAKAT TO AL-QA'IDA'S ALLY, AL-ITTIHAD AL-ISLAMI (AIAI).

A LEAD TO MAHMUD BAHAZIQ, SUSPECTED FINANCIER OF PAKISTANI TERRORIST GROUP LASKAR-E-TAYYIBA WHO MAY HAVE TIES TO AL-HARAMAIN.

-- ON JANUARY 16, 2002, AMBASSADOR JORDAN AND ASSISTANT SECRETARY BURNS PROVIDED TO CROWN PRINCE ABDULLAH AND FOREIGN MINISTER SAUD A PROPOSAL FOR JOINT U.S. AND SAUDI ACTION TO FREEZE THE ACCOUNTS OF, AMONG OTHERS, THE AL-HARAMAIN OFFICES IN BOSNIA AND SOMALIA. INFORMATION PROVIDED IN SUPPORT OF THE U.S. PROPOSAL INCLUDED:

AL-HARAMAIN TIES TO UBL, EIJ, AND AL-GAMA'AT AL-ISLAMIYYAH: AN UNSPECIFIED BRANCH OFFICE OF AL-HARAMAIN PROVIDED LOGISTICAL SUPPORT TO THE EIJ AND UBL ASSOCIATES BY DIVERTING BOTH FUNDING AND SUPPLIES FROM LEGITIMATE NGO ACTIVITIES. AL-HARAMAIN WAS USED AS COVER FOR THE BOSNIA-HERZOGOVINA-BASED EGYPTIAN TERRORIST GROUP, AL-GAMA'AT AL-ISLAMIYYAH. AL-HARAMAIN MAY ALSO HAVE BEEN FUNDED DIRECTLY BY USAMA BIN LADIN. ELEMENTS OF AL-HARAMAIN WERE INVOLVED IN TRAFFICKING ARMS IN SUPPORT OF ISLAMIC EXTREMISTS IN BOSNIA-HERZOGOVINA.

AL-HARAMAIN TIES TO SOMALIA'S AL-ITTIHAD AL-ISLAMI (AIAI): AS OF APRIL 1999, AN UNSPECIFIED BRANCH OF AL-HARAMAIN HAD FINANCIAL LINKS TO KENYA-BASED AL-ITTIHAD AL-ISLAMI (AIAI), A MAJOR TERRORIST GROUP WITH LINKS TO AL-QA'IDA. AIAI HAS TRAINED AN ARMED MILITIA WHICH HAS BEEN WAGING A RUTHLESS CAMPAIGN FOR CONTROL OF THE GEDD REGION IN SOMALIA. AN UNSPECIFIED BRANCH OF AL-HARAMAIN SUPPORTED AIAI IN AL WAQ, SOMALIA, BY SENDING RELIEF FOOD TO AIAI MEMBERS IN AIAI CAMPS.

AL-HARAMAIN TIES TO SDGT WAFA HUMANITARIAN ORGANIZATION:

TWO AL-HARAMAIN REPRESENTATIVES, ABU 'ABDULLAH AND ABU MUHAMMAD, ACCOMPANIED ABDUL AL-SABUR (REPRESENTATIVE OF ABU ABDUL-AZIZ, AKA ABU 'ABDULLAY, THE HEAD OF THE WAFA HUMANITARIAN ORGANIZATION IN KANDAHAR, AFGHANISTAN), TO AFGHANISTAN, WHERE THEY WERE TO MEET AFGHAN OFFICIALS REGARDING THE OPENING OF AN AL-HARAMAIN OFFICE IN AFGHANISTAN.

AL-HARAMAIN TIES TO SDGT MAKHTAB AL-KHIDMAT (MK): AL-HARAMAIN MAINTAINED MK FUNDS, "THE BULK OF THE REMAINDER OF THE ORIGINAL SUM OF MONEY (USD 2.5 MILLION)," IN ITS RAWALPINDI ACCOUNTS. THE FUNDS CAME FROM DONATIONS OF MK.

AL-HARAMAIN STAFFED BY UBL ASSOCIATES AND OTHERS WITH TERRORIST TIES: UBL ASSOCIATES HAVE OCCUPIED KEY

POSITIONS IN AL-HARAMAIN OFFICES OVERSEAS. IN 1997, AL-HARAMAIN KENYA-BRANCH EMPLOYEES WERE ARRESTED AND EXPelled FOR PLANNING A TERRORIST ATTACK AGAINST THE UNITED STATES. SOME OF THIS PLANNING OCCURRED WITHIN THE AL-HARAMAIN OFFICE. AL-HARAMAIN OFFICIAL, SALAH A.Q. AL-THIBANI, RAN THE AL-HARAMAIN-ALBANIA OFFICE. AL-THIBANI IS A CLOSE ASSOCIATE OF UBL OPERATIVE FAHID AL-SHAHRI. THIBANI WAS ALSO FOUNDER OF THE IIRO.

AL-HARAMAIN FUNDING OF ISLAMIC JIHAD MOVEMENTS IN YEMEN: AS OF MARCH 1999, AN UNSPECIFIED BRANCH OFFICE OF AL-HARAMAIN SUPPORTED THE ISLAMIC JIHAD MOVEMENT AND ITS ASSOCIATED FACILITIES IN YEMEN.

AL-HARAMAIN EFFORT TO REDUCE CORRUPTION OF THE NGO: AL-HARAMAIN SENIOR DIRECTORS HAVE SOUGHT TO INSTITUTE MANAGERIAL TRAINING PROGRAMS FOR PROSPECTIVE REGIONAL OFFICES' CHIEFS AS A WAY TO REDUCE THE CHANCES THAT ISLAMIC ACTIVISTS WITH A POLITICAL OR TERRORIST AGENDA WILL BE ABLE TO MISUSE AL-HARAMAIN FUNDS OR OTHER RESOURCES.

-- BASED IN LARGE PART ON THIS INFORMATION AND ADDITIONAL DISCUSSIONS WITH AMBASSADOR JORDAN AND TREASURY SECRETARY O'NEILL IN MARCH, 2002, THE KINGDOM OF SAUDI ARABIA AND THE UNITED STATES AGREED JOINTLY TO REFER THE BOSNIA AND SOMALIA BRANCHES OF AL-HARAMAIN TO THE UNITED NATIONS SANCTIONS COMMITTEE FOR ACTION UNDER UNSCR 1267.

-- IN MAY, 2002, TREASURY OFAC DIRECTOR NEWCOMB LED A DELEGATION TO SAUDI ARABIA AND MET WITH VARIOUS OFFICIALS TO DISCUSS, AMONG OTHER THINGS, MEASURES TAKEN BY THE GOVERNMENT OF SAUDI ARABIA TO IMPROVE OVERSIGHT OF AL-HARAMAIN AND OTHER CHARITIES.

-- IN SEPTEMBER, 2002, U.S. EMBASSY OFFICIALS DISCUSSED WITH FOREIGN MINISTRY DIRECTOR FOR INTERNATIONAL ORGANIZATIONS HH DR. PRINCE TURKI BIN MOHAMMED AL-KABIR AL-SAUD, U.S. CONCERNs ABOUT PRESS REPORTS THAT AL-HARAMAIN BOSNIA HAD BEEN ALLOWED TO RE-OPEN, DESPITE THE UN SANCTIONS. IN OCTOBER, 2002, AMBASSADOR JORDAN AND STATE DEPARTMENT COUNTER-TERRORISM COORDINATOR AMBASSADOR FRANCIS X. TAYLOR DISCUSSED THESE SAME CONCERNs WITH MINISTER OF INTERIOR PRINCE NAYIF.

-- IN OCTOBER 2002, UNDER SECRETARY OF STATE AL LARSON RAISED OUR CONCERNs ABOUT AL-HARAMAIN WITH CROWN PRINCE ABDULLAH AND FOREIGN MINISTER SAUD AL-FAISAL.

-- IN NOVEMBER, 2002, STATE DEPARTMENT ASSISTANT SECRETARY ANTHONY WAYNE ASKED CROWN PRINCE ADVISOR ADEL AL-JUBEIR WHETHER THE GOVERNMENT OF SAUDI ARABIA WAS LOOKING CLOSELY AT AL-HARAMAIN AND ITS OPERATIONS, GIVEN THE EXPERIENCE WITH THE BOSNIA AND SOMALIA BRANCHES.

THE UNITED STATES APPRECIATES VERY MUCH THE EFFORTS OF THE GOVERNMENT OF SAUDI ARABIA TO ADDRESS THESE CONCERNs, INCLUDING IN PARTICULAR THE JOINT REFERRAL TO THE UNITED NATIONS AND THE ESTABLISHMENT OF NEW MECHANISMS TO OVERSEE THE ACTIVITIES OF CHARITABLE ORGANIZATIONS.

4B. NEW INFORMATION ON THE AL-HARAMAIN ISLAMIC FOUNDATION

DESPITE THE JOINT EFFORTS OF THE UNITED STATES AND THE KINGDOM OF SAUDI ARABIA TO CONTROL THE MISUSE OF AL-HARAMAIN RESOURCES BY TERRORISTS, A GROWING BODY OF REPORTING INDICATES THAT PERSONS WORKING IN SEVERAL COUNTRIES IN AFRICA, ASIA, AND EUROPE FOR AL-HARAMAIN ISLAMIC FOUNDATION (HIF) HAVE SUPPORTED -- AND MAY CONTINUE TO SUPPORT -- ISLAMIC TERRORIST GROUPS. REPORTING SUGGESTS THAT ABOUT 20 AL-HARAMAIN FIELD OFFICES AND REPRESENTATIVES OPERATING IN 50 COUNTRIES IN AFRICA, ASIA, EUROPE, AND NORTH AMERICA, AS WELL AS ITS HEADQUARTERS IN SAUDI ARABIA, APPEAR TO BE PROVIDING FINANCIAL AND LOGISTIC SUPPORT TO AL-QA'IDA.

-- AS INDICATED PREVIOUSLY, HIF OFFICIALS PROVIDE FINANCIAL AND LOGISTIC SUPPORT TO BIN LADIN ASSOCIATES AND OTHER RADICALS BY DIVERTING FUNDS AND SUPPLIES FROM LEGITIMATE ACTIVITIES. FOR EXAMPLE, KENYAN AUTHORITIES DE-REGISTERED AL-HARAMAIN AS WELL AS THREE OTHER NGOS FOR "SUBVERSIVE" ACTIVITIES BY ITS EMPLOYEES FOLLOWING THE AUGUST 1998 BOMBING IN NAIROBI.

-- OTHER EXTREMIST GROUPS - SUCH AS AL-ITTIHAD AL-ISLAMIYA, HAMAS, EGYPTIAN ISLAMIC JIHAD, LASHKAR-I-TAYYIBA, AND FOREIGN MUJAHIDIN IN BOSNIA AND CHECHNYA - GET FUNDING FROM HIF OR USE AL-HARAMAIN AS A FRONT FOR FUNDRAISING AND OPERATIONAL ACTIVITIES.

THE U.S. JUDGES THAT HIF DIRECTOR SHAYKH 'AQIL IBN 'ABDUL-'AZIZ AL-'AQIL, WHO MANAGES AL-HARAMAIN'S BUSINESS ON A DAY-TO-DAY BASIS, IS PROVIDING FUNDS TO OFFICES WITH TERRORIST TIES IN WAYS THAT WILL AVOID FOREIGN GOVERNMENT SCRUTINY, SUCH AS USING PERSONAL BANK ACCOUNTS TO TRANSFER OFFICIAL HIF FUNDS.

ANALYSIS OF REPORTING SINCE 11 SEPTEMBER INDICATES THAT HIF HEADQUARTERS HAS CHANGED THE WAY IT SENDS FUNDS TO OFFICES ENGAGED IN SUSPICIOUS ACTIVITIES TO PREVENT THE MONEY FROM BEING IDENTIFIED OR SEIZED BY FOREIGN OFFICIALS. AL-HARAMAIN INCREASINGLY SENDS MONEY TO INDIVIDUALS' ACCOUNTS IN ADDITION TO TRANSFERRING FUNDS TO BRANCH OFFICES. WE HAVE ALSO NOTED TRANSFERS THAT ORIGINATED FROM SENIOR HIF OFFICIALS' PERSONAL ACCOUNTS, INCLUDING SHAYKH 'AQIL IN SAUDI ARABIA, TO PERSONAL ACCOUNTS OF KNOWN HIF AFFILIATES. HIF ALSO EMPLOYS COURIERS TO MOVE MONEY OUTSIDE ELECTRONIC BANKING SYSTEMS.

-- AS OF EARLY APRIL 1999, AL-HARAMAIN USED A CENTRALIZED SYSTEM THAT PROHIBITS INDIVIDUALS FROM ALLOCATING FUNDS WITHOUT THE PERSONAL APPROVAL OF THE FOUNDATION'S DIRECTOR. GIVEN THIS SYSTEM, THE QUESTIONABLE TRANSFERS SINCE 11 SEPTEMBER 2001 SUGGEST THAT GREAT SCRUTINY SHOULD BE GIVEN TO SHAYKH 'AQIL.

-- HIF HEADQUARTERS IS LAYERING TRANSFERS, A PRACTICE THAT CONCEALS THE ORIGINATOR AND DESTINATION OF THE TRANSFERS. HIF HAS REPEATEDLY SENT MONEY TO A BAHRAINII ACCOUNT BELONGING TO AN UNSPECIFIED SENIOR HIF OFFICIAL RESIDING IN SAUDI ARABIA, WHO SUBSEQUENTLY SENDS THE FUNDS TO HIF ACCOUNTS IN NIGERIA.

-- REPORTING INDICATES THAT HIF SENT FUNDS FROM A HIF ACCOUNT IN SAUDI ARABIA TO AN AL-ANSAR WELFARE TRUST IN KASHMIR. AL-ANSAR WELFARE TRUST IS A FRONT FOR LASHKAR-I-TAYYIBA (LT) AND TEHRIK UL-MUJAHIDIN, WHICH HAVE BEEN LISTED BY THE UNITED STATES AS TERRORIST GROUPS.

-- IN MID-NOVEMBER 2001, UNSPECIFIED AL-HARAMAIN OFFICIALS MET WITH THE LEADERSHIP OF WAFA, AN NGO RUN BY AL-QA'IDA, TO DISCUSS THE POSSIBILITY OF WAFA OPENING AN HIF BRANCH IN IRAN TO FACILITATE THE TRANSFER OF FUNDS TO AL-QA'IDA AFTER WAFA ASSETS WERE FROZEN.

-- HIF EMPLOYEES' ACCOUNTS IN ALBANIA PREVIOUSLY RECEIVED MONEY FROM AN HIF OFFICIAL ACCOUNT AT AL-RAJHI BANK, BUT IN THE LAST FEW MONTHS TRANSFERS HAVE BEEN COMING FROM THE PERSONAL ACCOUNT OF HIF'S EUROPEAN COMMITTEE DIRECTOR, HESHAM AL-MASHARI.

INDIVIDUALS WORKING IN SAUDI EMBASSIES IN SEVERAL COUNTRIES APPEAR TO BE WITTING OF, AND SOMETIMES ASSISTING, HIF BRANCH OFFICES THAT SUPPORT EXTREMIST GROUPS. FOR EXAMPLE, REPORTING INDICATES THAT AS OF LATE SEPTEMBER 2001 ACCREDITED SAUDI DIPLOMATS AT THE SAUDI EMBASSY IN BOSNIA COORDINATED FINANCIAL SUPPORT FROM AL-HARAMAIN TO FORMER ARAB MUJAHIDIN IN BOSNIA. DIPLOMATS IN ANOTHER EMBASSIES HAVE OFFERED TO CONCEAL AL-HARAMAIN DOCUMENTS FROM LOCAL OFFICIALS.

AFRICA. REPORTING INDICATES AL-HARAMAIN MAINTAINS A PRESENCE IN ABOUT A DOZEN AFRICAN COUNTRIES AND SUPPORTS SEVERAL EXTREMIST GROUPS, PARTICULARLY SOMALIA'S AL-ITTIHAD AL-ISLAMI (AIAI). AL-HARAMAIN ALSO MISUSES ITS STATUS AS A CHARITABLE ORGANIZATION TO FUND ISLAMIST POLITICAL PARTIES AND CIVIC GROUPS IN EAST AFRICAN COUNTRIES - INCLUDING DJIBOUTI AND COMOROS ISLANDS. IN SOME INSTANCES, THE FUNDING EXTENDS TO SUPPORTING SECTARIAN VIOLENCE.

-- AS INDICATED PREVIOUSLY, AL-HARAMAIN EMPLOYEES PROVIDED COVER AND LOGISTIC SUPPORT FOR AL-QA'IDA CELLS, INCLUDING THOSE IN THE 1998 US EMBASSY BOMBINGS IN KENYA AND TANZANIA. REPORTING INDICATES MOST OF AL-HARAMAIN'S FIELD OFFICE DIRECTORS IN EAST AFRICA ARE AWARE OF AND SUPPORT

THE ORGANIZATION'S AID TO MILITANT EXTREMISTS, AND AT LEAST SOME TOP-LEVEL OFFICIALS FROM AL-HARAMAIN'S HEADQUARTERS CONDONE THE FUNDING OF MILITANT EXTREMIST GROUPS.

REPORTING SUGGESTS AL-HARAMAIN'S TOP PRIORITY IN AFRICA IS SUPPORTING AIAI. AIAI - DESIGNATED BY THE US DEPARTMENT OF TREASURY UNDER U.S. EXECUTIVE ORDER 13224 AS A FOREIGN TERRORIST GROUP - SEEKS TO ESTABLISH AN ISLAMIC STATE IN "GREATER SOMALIA" INCLUDING PARTS OF ETHIOPIA, DJIBOUTI, AND KENYA. UNSPECIFIED HIF OFFICES WORLDWIDE COLLECT FUNDS TO PROVIDE AIAI FINANCIAL SUPPORT TO ESTABLISH ISLAMIC SCHOOLS, COURTS, AND OTHER INSTITUTIONS IN AIAI-INFLUENCED TERRITORY. HIF HAS ALSO HELPED THE FACTION DEVELOP ITS INSURGENT AND TERRORIST CAPABILITIES.

-- IN 2002, AL-HARAMAIN ARRANGED TRAVEL FOR AIAI MEMBERS TO SAUDI ARABIA, PROBABLY TO HELP THEM AVOID ANTICIPATED US MILITARY ACTION IN SOMALIA.

-- IN 2001, HIF PROVIDED HUMANITARIAN COVER FOR UNIDENTIFIED ARABS TRAVELING TO SOMALIA TO TRAIN AIAI MILITARY RECRUITS. AS OF LATE 2001, AL-HARAMAIN RAN A MILITARY TRAINING/RECRUITMENT CENTER IN MOGADISHU WITH AIAI. YOUNG MEN ATTENDING THIS CENTER RECEIVED PHYSICAL FITNESS, MARKSMANSHIP, AND SIMILAR TRAINING.

-- DURING SEPTEMBER 2002 AL-HARAMAIN ACCOUNTANTS IN SOMALIA EXCHANGED \$2 MILLION FOR SOMALI SHILLINGS AT MOGADISHU'S BAKARA MARKET, WHICH OCCURRED AFTER THE JOINT DESIGNATION OF AL-HARAMAIN'S OFFICES IN SOMALIA.

-- AS OF MID-MARCH 2002, AL-HARAMAIN IN MOGADISHU, SOMALIA WAS SCHEDULED TO HOST A CONFERENCE WITH MEMBERS OF AL-QA'IDA ATTENDING.

-- IN 1999, HIF MAINTAINED VILLAS IN SOMALIA USED TO STORE EXPLOSIVES AND TRAIN AIAI MEMBERS FOR JIHAD OPERATIONS.

AL-HARAMAIN ALSO SUPPORTS AIAI FROM ITS OFFICES AND REFUGEE CAMPS IN KENYA. IN 2001-2002, REPORTING INDICATED THAT AL-HARAMAIN'S KENYAN OFFICES ALSO PROVIDED SUPPORT AND COVER TO AIAI OPERATIVES AS WELL AS FUNDED AIAI RECRUITMENT EFFORTS IN THE COUNTRY.

-- IN 2002, AL-HARAMAIN'S DIRECTOR IN TANZANIA - RAMZI BEN MIZAUNI - FUNDED THE MOSQUES IN THE COUNTRY MOST ENGAGED IN MILITANT ACTIVITY AND ABUSED THE NGO'S TAX-FREE STATUS TO IMPORT GOODS AND FUNDS IT USED TO SUPPORT MILITANT ACTIVITIES.

-- IN 2001, A GROUP OF UP TO 20 MUSLIM MILITANTS, AT LEAST SOME OF WHOM WERE PROBABLY AL-QA'IDA FIGHTERS FLEEING AFGHANISTAN, TRAVELED FROM AFGHANISTAN TO KENYA AND TANZANIA UNDER THE SPONSORSHIP OF AL-HARAMAIN.

-- IN 1999, THE HEAD OF AL-HARAMAIN'S MOSQUE DIRECTORATE, SHAYKH ABDALLAH GILID AL-MARZUQI, PROVIDED FUNDS TO PROMINENT TANZANIAN ISLAMIC MILITANTS WHO, IN 1998, HAD DISTRIBUTED MONEY TO ISLAMIST DEMONSTRATORS SO THAT THEY COULD TURN VIOLENT.

-- AS INDICATED PREVIOUSLY, AL-HARAMAIN OFFICIALS WERE IMPLICATED IN AN ABORTED PLOT TO ATTACK THE US EMBASSY IN NAIROBI IN 1997. MORE SPECIFICALLY, IN THE FALL OF 1997, THE AL-HARAMAIN PROJECT MANAGER IN NAIROBI, ABDEL MALIK, WAS POSSIBLY PLANNING TO ASSASSINATE US CITIZENS IN NAIROBI, AND INSTRUCTED THREE INDIVIDUALS TO CONTINUE SURVEILLANCE OF THE US EMBASSY. THESE ASSOCIATES OF AL-HARAMAIN IN KENYA REPORTEDLY POSTPONED AN ATTACK AGAINST THE US EMBASSY IN NAIROBI UNTIL AFTER THE KENYAN GENERAL ELECTIONS. THE DECISION TO POSTPONE THE ATTACK WAS MADE FOLLOWING A 5 SEPTEMBER 1997 VISIT BY THE KENYAN POLICE TO THE AL-HARAMAIN OFFICE IN ISILOLO, KENYA.

BALKANS. DOCUMENTS SEIZED IN THE BALKANS SUGGEST THAT EMPLOYEES AT HIF OFFICES IN ALBANIA, BOSNIA, CROATIA, AND KOSOVO SUPPORTED AL-QA'IDA AND AFFILIATED GROUPS. INDIVIDUALS IN EACH OF THESE OFFICES WERE FUNDED BY OR WORKED WITH BIN LADIN.

-- E-MAILS FROM AL-QA'IDA MEMBERS FOUND IN 2002 ON COMPUTERS CONFISCATED FROM THE AL-HARAMAIN OFFICE IN TRAVNIK, CROATIA CONTAINED INSTRUCTIONS TO ATTACK AN SFOR BASE IN TUZLA.

-- FOLLOWING THE 11 SEPTEMBER TERRORIST ATTACKS, OFFICIALS AT THE AL-HARAMAIN OFFICE IN KOSOVO DESTROYED ALL DOCUMENTS THAT COULD LINK THE ORGANIZATION TO MILITANT OR TERRORIST ACTIVITIES. IN LATE 2001, HIF OFFICIALS DECIDED TO TEMPORARILY MAINTAIN A LOW PROFILE BEFORE RESUMING ILLICIT ACTIVITIES.

-- ABU MUNZER, AN AL-HARAMAIN OFFICIAL IN SAUDI ARABIA, URGED ANOTHER AL-HARAMAIN EMPLOYEE TO DIVERT THE FUNDS OF AN UNSPECIFIED DONATION TO THE NEW FACILITY (OSTROGATAIS) DESIGNED TO REPLACE AL-HARAMAIN IN BOSNIA.

-- IN MAY AND JUNE 2002, A SENIOR BOSNIAN-BASED HIF OFFICIAL WAS IN CONTACT WITH AN AL-QA'IDA-ASSOCIATED MILITANT WHO WAS PLANNING A TERRORIST ATTACK USING TOXINS AND POSSIBLY EXPLOSIVES.

INDONESIA. RECENT REPORTING INDICATES THAT HIF OFFICES IN INDONESIA SUPPORT AL-QA'IDA AND OTHER EXTREMIST GROUPS. AFTER LAYING THE GROUNDWORK FOR TIES TO LOCAL EXTREMISTS AND ASSURING THE INDONESIAN GOVERNMENT IT WOULD ENGAGE IN "SOCIAL WELFARE" PROJECTS, AL-HARAMAIN APPEARS TO HAVE ASSUMED A KEY ROLE IN FACILITATING FUND TRANSFERS TO EXTREMISTS AFFILIATED WITH LOCAL TERRORIST GROUPS AND SUPPORTING MILITANT EXTREMISM AMONG LOCAL MUSLIMS.

REPORTS INDICATE THAT SUPPORT FOR TERRORIST GROUPS CAME FROM THE MOST SENIOR LEVELS OF HARAMAIN WITHIN INDONESIA. SAUDI NATIONAL AHMAD AL-AMOUDI, DIRECTOR OF THE AL-HARAMAIN BRANCHES IN INDONESIA, MET PRIVATELY IN MARCH 2000 WITH JAFAR UMAR THALIB, LEADER OF THE INDONESIAN EXTREMIST GROUP LASKAR JIHAD. AL-AMOUDI NOTED THAT AL-HARAMAIN WAS WORKING WITH THALIB ON SEVERAL ONGING "PROJECTS." BECAUSE AL-AMOUDI IS SUSPECTED OF HAVING BEEN INVOLVED IN RECRUITING MUJAHIDIN TRAINEES IN THE 1990S, WE BELIEVE THE "PROJECTS" ARE RELATED TO TERRORIST OR EXTREMIST ACTIVITIES.

-- AL-AMOUDI, WHO WE BELIEVE IS CURRENTLY RESIDING IN SAUDI ARABIA, WAS ONE OF THREE PRIMARY SOURCES OF FUNDING FOR JAKARTA-BASED AL-QA'IDA FACILITATOR 'UMAR FARUQ. HE FREQUENTLY DISBURSED LARGE AMOUNTS OF CASH TO FARUQ TO PROCURE WEAPONS, EXPLOSIVES, AND OTHER ITEMS. FARUQ ALSO ADMITTED THAT HE DELIVERED \$99,000 TO AL-AMOUDI IN APRIL 2002 AT THE REQUEST OF AL-HARAMAIN'S DAMMAM, SAUDI ARABIA, OFFICE DIRECTOR, AND TOLD INTERROGATORS IN JULY THAT HE ALSO RECEIVED FUNDS FROM ANOTHER OPERATIVE THROUGH AL-HARAMAIN. IN LATE 2001 AL-HARAMAIN ROUTED FUNDS THROUGH A THIRD PARTY INSTEAD OF DIRECTLY TO AL-HARAMAIN JAKARTA DIRECTOR AL-AMOUDI.

AL-HARAMAIN WAS ACTIVE IN INDONESIA AND CULTIVATED TIES TO LOCAL MILITANT EXTREMIST GROUPS BEFORE OFFICIALLY OPENING ITS JAKARTA OFFICE IN MID-JULY 2000. AN AL-HARAMAIN CONTRACTOR TRAVELED TO INDONESIA IN 1998. AL-HARAMAIN'S SEASONED STAFF MAY HAVE HELPED THE CHARITY GET ITS INDONESIA OPERATIONS ON LINE QUICKLY.

AL-AMOUDI PREVIOUSLY SERVED AT AL-HARAMAIN OFFICES IN PAKISTAN AND AZERBAIJAN AND MAY HAVE WORKED WITH JAKARTA DEPUTY DIRECTOR ADAM NASIR WARSHA IN BANGLADESH. WARSHA ALSO CLAIMED HE RECEIVED MILITARY TRAINING FROM THE TALIBAN AND/OR FOUGHT IN AFGHANISTAN.

AL-HARAMAIN MAY BE CONTINUING TO USE ITS PRESENCE IN INDONESIA TO IDENTIFY LOCAL RECRUITS FOR JIHAD TRAINING IN INDONESIAN CAMPS AND ABROAD; THERE HAVE BEEN INDICATIONS THAT AL-HARAMAIN EMPLOYEES HAVE BEEN INVOLVED IN RECRUITING MUJAHIDIN TRAINEES IN THE PAST.

-- FARUQ NOTED THAT AL-HARAMAIN HAD PURCHASED A POWERBOAT -- PROBABLY TO ASSIST JIHADISTS - IN AMBON.

AL-HARAMAIN MAY ALSO SUPPORT MILITANT EXTREMISTS THROUGH LOCAL ORGANIZATIONS-FARUQ NOTED IN CUSTODIAL INTERVIEWS THAT KOMPAK, THE PARAMILITARY WING OF THE INDONESIAN

RADICAL ISLAMIC GROUP DEWAN DAKWAH ISLAMIYAH INDONESIA, RECEIVED UNSPECIFIED ASSISTANCE FROM AL-HARAMAIN.

PAKISTAN. THE ISLAMABAD OFFICE OF HIF ALSO APPEARS TO HAVE SUPPORTED AL-QA'IDA. THE DIRECTOR OF THE HIF OFFICE IN ISLAMABAD SOUGHT PERMISSION FROM THE RIYADH OFFICE IN JULY 2002 TO CEASE OPERATIONS FOR UP TO THREE MONTHS TO AVOID SCRUTINY FROM LOCAL AUTHORITIES.

UNITED STATES. THE PATTERN OF AL-HARAMAIN'S OPERATIONS OBSERVED INTERNATIONALLY CAN BE OBSERVED IN THE OPERATIONS OF THE US-BASED OFFICES.

-- THE AL-HARAMAIN OFFICES IN THE UNITED STATES WERE OPENED IN 1997 BY PIROU SEDAGHATY AND SOLIMAN AL-BATIHE AKA SOLIMAN HAMAD AL-BATIHE, WHO HAS BEEN IDENTIFIED AS A RANKING OFFICIAL OF AL-HARAMAIN. SEDAGHATY AND AL-BATIHE ARE LISTED AS OFFICIALS OF THE US AL-HARAMAIN OPERATION ALONG WITH AQIL AQIL AND AL-HARAMAIN'S DIRECTOR OF AFRICAN OPERATIONS, MANSOUR AL-KADI. AQIL IS BELIEVED TO BE IDENTICAL TO SHAYKH AQIL IBN 'ABDUL-'AZIZ AL-'AQIL, THE

MANAGING DIRECTOR OF AL-HARAMAIN.

-- SEPARATE REPORTS LINK AL-KADI TO INDIVIDUALS ASSOCIATED WITH THE 1998 EMBASSY BOMBINGS IN KENYA AND TANZANIA. RECENT REPORTING REVEALED THAT THE HIF'S US-BASED OFFICES RECEIVED \$500,000 FROM BIN LADIN. THESE FUNDS WERE REPORTEDLY USED TO PURCHASE MOSQUES THAT WOULD BE USED FOR RECRUITING EFFORTS. ADDITIONALLY, AL-HARAMAIN HAS PROVIDED FUNDS TO INDIVIDUALS IN THE UNITED STATES THAT HAVE REPORTEDLY BEEN INVOLVED IN JIHADIST PARAMILITARY TRAINING.

-- SINCE 11 SEPTEMBER, SOLIMAN ALBUT'HE, A/K/A SOLIMAN HAMAD AL BATAHI, WHO HAS BEEN IDENTIFIED AS A RANKING OFFICIAL OF AL-HARAMAIN, HAS PROVIDED OVER \$20,000 TO INDIVIDUALS RESIDING IN THE UNITED STATES THAT REPORTEDLY HAVE PARTICIPATED IN JIHADIST PARAMILITARY TRAINING. THESE INDIVIDUALS WERE NOT PREVIOUSLY KNOWN TO BE ASSOCIATED WITH AL-HARAMAIN.

¶B. CUTTING DONOR TIES

PROBABLY THE BIGGEST, MOST IMMEDIATE IMPACT ON AL-QA'IDA'S ABILITY TO FINANCE ITSELF WOULD COME FROM CUTTING OFF THE FLOWS OF FUNDS FROM MAJOR DONORS. REPORTING SUGGESTS THAT A SMALL NUMBER OF WEALTHY PEOPLE PROVIDE MUCH, PERHAPS MOST, OF AL-QA'IDA'S MONEY. REPORTING - INCLUDING INTERVIEWS WITH DETAINEES - INDICATES THAT SAUDI DONORS ARE SENDING TENS OR HUNDREDS OF THOUSANDS OF DOLLARS DIRECTLY TO AL-QA'IDA FUNDRAISERS THROUGH BANKS, HAWALA DEALERS, AND CASH COURIERS. CUTTING OFF THIS FLOW - THROUGH PUBLIC OR NON-PUBLIC MEANS - WOULD SERIOUSLY IMPEDE THE AL-QA'IDA LEADERSHIP'S ABILITY TO MAINTAIN THE GROUP'S COHESION AND SPONSOR NEW ATTACKS.

UNFORTUNATELY, REPORTING SELDOM PROVIDES THE TRUE NAMES OF DONORS OR FUNDRAISERS. IN MANY CASES, REPORTING REFERS ONLY TO NICKNAMES, HONORIFIC TITLES, OR COVER NAMES ("NOMS DE GUERRE"). IN ONLY A FEW CASES, SUCH AS UBaydah Al-Qahtani, HAS THERE BEEN ENOUGH INFORMATION TO IDENTIFY THE PROBABLE TRUE NAME OF THE PERSON. ADDITIONAL REPORTING AND DETAINEE INTERVIEWS HAVE PROVIDED SOME CLUES THAT COULD HELP IDENTIFY ADDITIONAL DONORS; HOWEVER, SUCH IDENTIFICATIONS WILL REQUIRE VIGOROUS ANALYSIS AND QUESTIONING OF KEY SUSPECTS.

-- FIRST, THE LARGE AMOUNTS OF MONEY INDIVIDUAL DONORS ARE ABLE TO PROVIDE SHARPLY NARROWS THE POSSIBLE RANGE OF SUSPECTS. MOST MAJOR DONORS PROBABLY ARE WEALTHY BUSINESSMEN OR MEMBERS OF WEALTHY BUSINESS FAMILIES.

-- SECOND, THE DONORS PROBABLY ARE IDEOLOGICALLY COMMITTED TO AL-QA'IDA. OUR REPORTING INDICATES THAT THEY WANT AL-QA'IDA TO LAUNCH ATTACKS. THEY ARE NOT JUST PAYING MONEY IN EXCHANGE FOR "PROTECTION" (THAT IS, AS A BRIBE TO KEEP AL-QA'IDA FROM ATTACKING THEIR INTERESTS).

-- FINALLY, MANY OF THE DONORS PROBABLY KNOW EACH OTHER AND MAY EVEN COOPERATE. ONE SENIOR AL-QA'IDA DETAINEE, FOR EXAMPLE, NOTED THAT AL-QA'IDA'S FINANCE COMMITTEE HAD

A BUSINESS SUBCOMMITTEE WHOSE DUTIES INCLUDED FUNDRAISING. SOME REPORTED DONORS AND FUNDRAISERS, SUCH AS WA'IL JULAYDAN, MAINTAIN BUSINESS, CHARITABLE, AND PERSONAL CONNECTIONS WITH EACH OTHER, STRENGTHENING OUR SUSPICION THAT A LOOSE DONORS' NETWORK EXISTS.

GIVEN THESE FACTORS, WE HOPE TO ENGAGE WITH YOU BEGINNING IN LATE FEBRUARY OR EARLY MARCH OF THIS YEAR IN A DETAILED DISCUSSION OF INTELLIGENCE AND INFORMATION RELATED TO TWO PEOPLE WHO HAVE BEEN LINKED TO AL-QA'IDA - SHAYKH ADIL BATTERJEE AND WA'IL JULAYDAN. THROUGH THIS DISCUSSION, WE HOPE TO GAIN A MUTUAL UNDERSTANDING ABOUT THEIR TIES TO AL-QA'IDA AS WELL AS TO IDENTIFY OTHER FINANCIAL SUPPORTERS OF TERRORISTS. INDEED, JULAYDAN COULD PROVIDE INFORMATION ON OTHER DONORS AND FUNDRAISERS, WHICH MAY BE MORE IMPORTANT THAN TAKING FURTHER ACTION AGAINST JULAYDAN. EVEN IF THEY DO NOT COOPERATE, PUTTING TOGETHER US AND SAUDI INFORMATION ON BATTERJEE'S AND JULAYDAN'S PAST AND CURRENT TIES TO AL-QA'IDA AND OTHER POSSIBLE DONORS SHOULD ALLOW IMPROVED ASSESSMENTS OF THE GROUP'S FINANCIAL NETWORK.

CAPTURING AND QUESTIONING FUNDRAISERS, SUCH AS UBaydah Al-Qahtani, SHOULD ALSO PROVIDE KEY LEADS TO THE NETWORK. A HIGH PRIORITY IS CAPTURING THE HEAD OF AL-QA'IDA'S FINANCE COMMITTEE, SHAYKH SA'ID AL-MASRI. ALTHOUGH HE IS EGYPTIAN, SHAYKH SA'ID MAY WELL HAVE DETAILED INFORMATION ON DONORS FROM SAUDI ARABIA AND OTHER COUNTRIES.

POWELL